

United States Senate

WASHINGTON, DC 20510-2002

September 30, 2005

President George W. Bush
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

Last week, FEMA and HUD made a joint announcement that housing assistance was finally going to be made available to families displaced as a result of Hurricane Katrina. While I am pleased that evacuees will be receiving assistance in meeting their critical needs, I am concerned that the plan will not be adequate to meet the needs of many low-income Americans affected by the storm.

Under the Administration's new plan, assistance will be provided in two different ways: (1) people who were formerly homeless, or assisted by HUD programs will receive temporary housing assistance from HUD; and, (2) renters and homeowners will receive three months of cash assistance from FEMA to pay for rental costs.

This is a needed shift in focus. However, while FEMA has now shown some willingness to have HUD provide housing assistance to a limited number of evacuees, the majority of housing assistance will still be provided through FEMA. Wednesday's *Washington Post* reported that FEMA is spending over \$1,200 a week per evacuee, or almost \$5,000 a month, to pay for housing on cruise ships – housing that is not being fully utilized. FEMA data show that there are still over 100,000 people living in shelters a month after the storm. A *New York Times* story this morning reports that, despite having signed contracts for \$2 billion in temporary housing, including more than 120,000 trailers and mobile homes, FEMA "has placed just 109 Louisiana families in those homes." These problems clearly show that FEMA is ill-equipped to handle the housing needs of up to a million hurricane victims.

In addition, we are concerned that FEMA's housing assistance program will be inadequate for many families. FEMA has decided to provide families with checks of approximately \$2,300 to cover the first three months of rental costs. This amount is based on the average fair market rent across the country. This means that a family that has relocated to Washington, DC will receive the same amount of rental assistance as a family who moved to Beaumont, Texas, despite significant differences in rental costs. Families will also need to pay for security deposits, utility costs and transportation expenses, expenses FEMA says cannot be paid out of the \$2,300 provided. The emergency voucher proposal passed by the Senate earlier this month would provide funds for these necessary costs. We must ensure that families receive enough to pay for these basic expenses.

I am also concerned that enough funding has not been set aside to ensure the full 18 months of rental assistance promised last week. Without a guaranteed source of funding, and a guarantee that families will continue to receive assistance, there remains a question as to how willing many apartment owners will be to lease apartments to low-income, displaced families.

The scope of this disaster calls for changes in how we think about disaster assistance. Hundreds of thousands of people may need housing assistance for 18 months or even longer. We cannot rely on FEMA, an emergency response agency, to provide ongoing housing assistance to this large number of families. Instead, we should turn to HUD and the existing housing system in this country, which has the experience, staff and infrastructure to house large numbers of low-income people throughout the country. I believe that we need to immediately provide HUD with the necessary funds to move people from the FEMA system to a housing-focused system. Establishing a longer-term transitional housing assistance program through HUD for evacuees will ensure that families in need can access assistance and will provide assurances to landlords that, if they rent to an evacuee, they will receive adequate rental payments for the initial three month period, and beyond.

In your speech to the nation on September 3, you made a commitment and said, "We will restore the towns and neighborhoods that have been lost in Louisiana, Mississippi and Alabama. We'll rebuild the great city of New Orleans. And we'll once again show the world that the worst adversities bring out the best in America." In order to rebuild, we must support the people of these great cities and towns. We must ensure that all families are provided for and can meet their basic needs, including a place to call home while they wait for their neighborhoods and cities to rise again.

I urge you to transfer immediately funds from FEMA to HUD to address the housing crisis, and to support the emergency housing voucher program passed by the Senate on September 14, 2005.

Sincerely,

A handwritten signature in black ink, reading "Paul Sarbanes". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Senator Paul S. Sarbanes